

CALIFORNIA TAX CREDIT ALLOCATION COMMITTEE

**Project Staff Report
Tax-Exempt Bond Project
November 30, 2022**

Ruby Street Apartments, located at 22447 Ruby Street in Castro Valley, requested and is being recommended for a reservation of \$2,718,870 in annual federal tax credits to finance the new construction of 71 units of housing serving special needs tenants with rents affordable to households earning 20%-60% of area median income (AMI). The project will be developed by Eden Housing, Inc. and will be located in Senate District 10 and Assembly District 20.

The project will be receiving rental assistance in the form of HUD Section 8 Project-based Vouchers. The project financing includes state funding from the No Place Like Home (NPLH) and Housing for a Healthy CA (HHC) programs of HCD.

Project Number CA-22-594

Project Name Ruby Street Apartments
Site Address: 22447 Ruby Street
Castro Vallley, CA 94546 County: Alameda
Census Tract: 4312.00

Tax Credit Amounts	Federal/Annual	State/Total
Requested:	\$2,718,870	\$0
Recommended:	\$2,718,870	\$0

Applicant Information

Applicant: Ruby Street, L.P.
Contact: Andrea Osgood
Address: 22645 Grand Street
Hayward, CA 94541
Phone: 510-247-8103
Email: aosgood@edenhousing.org

General Partner(s) or Principal Owner(s): Ruby Street LLC
General Partner Type: Nonprofit
Parent Company(ies): Eden Development, Inc.
Developer: Eden Housing, Inc.
Bond Issuer: California Municipal Finance Authority
Investor/Consultant: Community Economics, Inc.
Management Agent: Eden Housing Management, Inc.

Project Information

Construction Type: New Construction
 Total # Residential Buildings: 1
 Total # of Units: 72
 No. / % of Low Income Units: 71 100.00%
 Federal Set-Aside Elected: 40%/60%
 Federal Subsidy: Tax-Exempt / HUD Project Based Vouchers (25 Units / 35%)

Information

Housing Type: Special Needs
 Geographic Area: East Bay Region
 CTCAC Project Analyst: Franklin Cui

55-Year Use / Affordability

Aggregate Targeting	Number of Units	Percentage of Affordable Units
30% AMI:	28	39%
50% AMI:	19	27%
60% AMI:	24	34%

Unit Mix

8 SRO/Studio Units
27 1-Bedroom Units
19 2-Bedroom Units
18 3-Bedroom Units
0 4-Bedroom Units
72 Total Units

Unit Type & Number	2022 Rents Targeted % of Area Median Income	Proposed Rent (including utilities)
5 SRO/Studio	20%	\$375
2 SRO/Studio	30%	\$750
1 SRO/Studio	50%	\$1,250
7 1 Bedroom	20%	\$402
5 1 Bedroom	30%	\$804
14 1 Bedroom	50%	\$1,339
1 1 Bedroom	60%	\$1,607
3 2 Bedrooms	20%	\$482
3 2 Bedrooms	30%	\$965
2 2 Bedrooms	50%	\$1,608
9 2 Bedrooms	60%	\$1,929
3 3 Bedrooms	20%	\$557
1 3 Bedrooms	50%	\$1,857
14 3 Bedrooms	60%	\$2,228
1 2 Bedrooms	50%	\$1,608
1 2 Bedrooms	Manager's Unit	\$0

Project Cost Summary at Application

Land and Acquisition	\$5,615,409
Construction Costs	\$37,434,327
Rehabilitation Costs	\$0
Construction Hard Cost Contingency	\$1,874,584
Soft Cost Contingency	\$866,957
Relocation	\$0
Architectural/Engineering	\$1,597,762
Const. Interest, Perm. Financing	\$4,510,725
Legal Fees	\$160,000
Reserves	\$638,237
Other Costs	\$3,431,492
Developer Fee	\$3,500,000
Commercial Costs	\$0
Total	\$59,629,492

Residential

Construction Cost Per Square Foot:	\$641
Per Unit Cost:	\$828,187
True Cash Per Unit Cost*:	\$810,132

Construction Financing

<u>Source</u>	<u>Amount</u>
Chase	\$31,465,265
Chase Taxable	\$8,484,742
Alameda County	\$11,019,351
FHLBSF - AHP**	\$1,065,000
Regional Center of the East Bay	\$1,500,000
Deferred Costs	\$3,353,237
Deferred Interest	\$295,870
General Partner Equity	\$100
Tax Credit Equity	\$2,445,927

Permanent Financing

<u>Source</u>	<u>Amount</u>
Chase	\$4,461,000
HCD - Housing for Healthy CA	\$8,270,000
HCD - No Place Like Home	\$6,025,903
Alameda County	\$11,019,351
FHLBSF - AHP**	\$1,065,000
Regional Center of the East Bay	\$1,500,000
Deferred Interest	\$295,870
General Partner Equity	\$100
Deferred Developer Fee	\$1,300,000
Tax Credit Equity	\$25,692,268
TOTAL	\$59,629,492

*Less Fee Waivers, Seller Carryback Loans, and Deferred Developer Fee

Determination of Credit Amount(s)

Requested Eligible Basis:	\$52,285,969
130% High Cost Adjustment:	Yes
Applicable Fraction:	100.00%
Qualified Basis:	\$67,971,759
Applicable Rate:	4.00%
Total Maximum Annual Federal Credit:	\$2,718,870
Approved Developer Fee (in Project Cost & Eligible Basis):	\$3,500,000
Investor/Consultant:	Community Economics, Inc.
Federal Tax Credit Factor:	\$0.94496

Except as allowed for projects basing cost on assumed third party debt, the “as if vacant” land value and the existing improvement value established at application for all projects, as well as the eligible basis amount derived from those values, shall not increase during all subsequent reviews including the placed in service review, for the purpose of determining the final award of Tax Credits. The sum of the third party debt encumbering the property may increase during subsequent reviews to reflect the actual amount.

Significant Information / Additional Conditions: None.

Resyndication and Resyndication Transfer Event: None.

Standard Conditions

If applicant is receiving tax-exempt bond financing from other than CalHFA, the applicant shall apply for a bond allocation from the California Debt Limit Allocation Committee’s next scheduled meeting, if not previously granted an allocation; shall have received an allocation from CDLAC; and, shall issue bonds within time limits specified by CDLAC.

The applicant anticipates financing more than 50% of the project aggregate basis with tax-exempt bond proceeds as calculated by the project tax professional. Therefore, the federal credit reserved for this project will not count against the annual ceiling.

State tax credit recipients are limited to cash distributions from project operations pursuant to California Revenue and Taxation Code Section 12206(d). By accepting the tax credit reservation, the applicant/owner is agreeing to comply with the statutory limitations and requirements.

CTCAC makes the preliminary reservation only for the project specified above in the form presented, and involving the parties referred to in the application. No changes in the development team or the project as presented will be permitted without the express approval of CTCAC.

The applicant must pay CTCAC a reservation fee calculated in accordance with regulation. Additionally, CTCAC requires the project owner to pay a monitoring fee before issuance of tax forms.

As project costs are preliminary estimates only, staff recommends that a reservation be made in the amount of federal credit and state credit shown above on condition that the final project costs be supported by itemized lender approved costs and certified costs after the buildings are placed in service.

All unexpended funds in reserve accounts established for the project must remain with the project to be used for the benefit of the property and/or its residents, except for the portion of any accounts funded with deferred developer fees.

All fees charged to the project must be within CTCAC limitations. Fees in excess of these limitations will not be considered when determining the amount of credit when the project is placed-in-service.

If the applicant has requested the use of a CUAC utility allowance, CTCAC's Compliance staff will review the CUAC documentation for this project prior to placed in service. Until written approval is received from CTCAC, this project is not eligible to use a utility allowance based on the CUAC.

The applicant/owner shall be subject to underwriting criteria set forth in Section 10327 of the regulations through the final feasibility analysis performed by CTCAC at placed-in-service.

Credit awards are contingent upon applicant's acceptance of any revised total project cost, qualified basis and tax credit amount determined by CTCAC in its final feasibility analysis.

CDLAC Additional Conditions

The applicant/owner is required to comply with the CDLAC Resolution. At the time of the CTCAC placed in service review, CTCAC staff will verify that the project is in compliance with all applicable items of CDLAC Resolution Exhibit A.